This report consists of 19 consecutively numbered pages including exhibits. Index to exhibits can be found at consecutively numbered pages 17 and 18. 19

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SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

92 13 7375

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from N/A to N/A

Commission File Number 0-4597

FOREST OIL CORPORATION

(Exact name of registrant as specified in its ch

New York

(State or other jurisdiction of incorporation or organization)

25-0484900

(I.R.S. Employer Identification No.)

1500 Colorado National Building
950 - 17th Street
Denver, Colorado 80202

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (303) 592-2400

Microfilmed by Q-Data Corp. - St. Petersburg, FL

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

Title of Class of Common Stock	Number of Shares Outstanding April 30, 1992
Common Stock, Par Value $.10 Per Share	9,454,281
Class B Stock, Par Value $.10 Per Share	3,592,766
Total	13,047,047

PART I. FINANCIAL INFORMATION

FOREST OIL CORPORATION
Condensed Consolidated Balance Sheets (Note 1)

	March 31, 1992 (Unaudited)	December 31, 1991
	(In Thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,679	18,864
Accounts receivable	16,395	24,074
Other current assets	2,401	1,781
Total current assets	23,475	44,719
Property and equipment, at cost:		
Oil and gas properties - full cost accounting method	1,036,000	993,781
Buildings, transportation and other equipment	15,313	14,276
	1,051,313	1,008,057
Less accumulated depreciation, depletion and valuation allowance	773,371	764,375
Net property and equipment	277,942	243,682
Other assets	9,280	7,788
	$ 310,697	296,189
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Cash overdraft	$ –	2,278
Current portion of production payment obligation	1,743	–
Accounts payable	15,305	23,568
Retirement benefits payable to executives and directors	296	296
Accrued expenses and other liabilities	6,082	5,748
Total current liabilities	23,426	31,890
Production payment obligation	26,868	–
Senior secured notes	59,400	59,262
Subordinated debentures	90,387	90,387
Other liabilities	8,539	7,932
Retirement benefits payable to executives and directors	5,109	5,356
Deferred revenue	43,343	40,199
Deferred Federal income taxes	4,456	6,323
Shareholders' equity:		
Convertible preferred stock	17,218	17,280
Capital stock	1,359	1,328
Capital surplus	147,782	149,069
Accumulated deficit	(106,254)	(103,741)
Foreign currency translation	1,198	2,476
Treasury stock	(10,134)	(11,570)
Total shareholders' equity	49,169	54,840
	$ 310,697	296,189

See accompanying notes to condensed consolidated financial statements.

FOREST OIL CORPORATION
Condensed Consolidated Statements of Production and Operations (Note 1)
(Unaudited)

	Three Months Ended	
	March 31, 1992	March 31, 1991
	(In Thousands Except Per Share Amounts)	
PRODUCTION		
Gas (mmcf)	6,815	6,228
Oil and condensate (thousand barrels)	328	196
STATEMENTS OF CONSOLIDATED OPERATIONS		
Revenue:		
Oil and gas sales:		
Gas	$ 11,195	13,925
Oil and condensate	5,614	4,976
Products and other	333	190
	17,142	19,091
Miscellaneous, net	152	2,056
Total revenue	17,294	21,147
Expenses:		
Oil and gas production	3,500	2,532
General and administrative	2,223	3,061
Restructuring	-	166
Interest	7,118	6,001
Provision for impairment of oil and gas properties	-	34,000
Depreciation and depletion	10,833	10,265
Total expenses	23,674	56,025
Loss before income taxes	(6,380)	(34,878)
Federal income tax expense (benefit):		
Current	-	32
Deferred	(1,867)	(11,892)
	(1,867)	(11,860)
Net loss before redeemable preferred stock dividend requirements	(4,513)	(23,018)
Redeemable preferred stock dividend requirements	-	(1,404)
Net loss attributable to common stock	$ (4,513)	(24,422)
Weighted average number of common shares outstanding	12,889	12,390
Primary and fully diluted loss per share	$ (.35)	(2.07)

See accompanying notes to condensed consolidated financial statements.

FOREST OIL CORPORATION
Condensed Consolidated Statement of Shareholders' Equity (Note 1)
(Unaudited)

	$.75 Convertible Preferred Stock	Common Stock	Class B Stock	Capital Surplus	Accumulated Deficit	Foreign Currency Translation	Treasury Stock
				(In Thousands)			
Balance December 31, 1991	$17,280	951	375	149,069	(103,741)	2,476	(11,570)
Net loss	-	-	-	-	(4,513)	-	-
Preferred stock dividends paid in common stock	-	29	-	(29)	-	-	-
Treasury stock contributed to the employee thrift plan and other	-	-	-	(1,318)	-	-	1,436
Conversions of $.75 preferred stock to common stock	(62)	4	-	58	-	-	-
Exchange of Class B to Common Stock	-	1	(1)	-	-	-	-
Foreign currency translation	-	-	-	-	-	(1,278)	-
Balance March 31, 1992	$17,218	985	374	147,782	(108,254)	1,198	(10,134)

See accompanying notes to condensed consolidated financial statements.

FOREST OIL CORPORATION
Condensed Consolidated Statements of Cash Flows (Note 1)
(Unaudited)

	Three Months Ended	
	March 31, 1992	March 31, 1991
	(In Thousands)	
Cash flows from operating activities:		
Net loss before Redeemable Preferred Stock dividend requirements	$ (4,513)	(23,018)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and depletion	10,833	10,265
Provision for impairment of oil and gas properties	-	34,000
Deferred Federal income tax benefit	(1,867)	(11,892)
Other, net	401	217
Net changes in current assets and liabilities:		
Decrease in accounts receivable	7,679	5,266
Increase in other current assets	(620)	(188)
Decrease in accounts payable	(8,263)	(6,820)
Increase (decrease) in accrued expenses and other liabilities	334	(2,205)
Net cash provided by operating activities	3,984	5,625
Cash flows from investing activities:		
Capital expenditures for property and equipment	(47,762)	(10,031)
Proceeds from sales of property and equipment	1,374	4,888
Increase in other assets, net	(1,628)	-
Net cash used by investing activities	(48,016)	(5,143)
Cash flows from financing activities:		
Borrowings of long-term bank debt	-	9,000
Repayments of long-term bank debt	-	(7,880)
Proceeds of production payment	28,805	-
Repayments of production payment	(194)	-
Proceeds of volumetric production payment	6,535	-
Amortization of volumetric production payments	(3,391)	-
Increase (decrease) in cash overdraft	(2,278)	1,791
Increase in other liabilities, net	360	416
Net cash provided by financing activities	29,837	3,327
Effect of exchange rate changes on cash	10	22
Net increase (decrease) in cash and cash equivalents	(14,185)	3,831
Cash and cash equivalents at beginning of the period	18,864	6,905
Cash and cash equivalents at end of the period	$ 4,679	10,736
Cash paid during the period for:		
Interest	$ 6,224	7,258
Income taxes	$ 33	75

See accompanying notes to condensed consolidated financial statements.

FOREST OIL CORPORATION
Notes to Condensed Consolidated Financial Statements
Three Months Ended March 31, 1992 and 1991

(1) Basis of Presentation

The consolidated financial statements included herein are unaudited. In the opinion of management, all adjustments, consisting of normal recurring accruals, have been made which are necessary for a fair presentation of the financial position of the Company at March 31, 1992 and the results of operations for the three month periods ended March 31, 1992 and 1991. Quarterly results are not necessarily indicative of expected annual results because of the impact of fluctuations in prices received for natural gas and other factors. For a more complete understanding of the Company's operations and financial position, reference is made to the consolidated financial statements of the Company, and related notes thereto, filed with the Company's annual report on Form 10-K for the year ended December 31, 1991, previously filed with the Securities and Exchange Commission.

(2) Loss Per Share

Primary loss per share of common stock is determined by dividing net loss attributable to common stock, less dividends payable on convertible preferred stock, by the weighted average number of common shares outstanding during each period excluding treasury shares. Fully diluted loss per share is computed upon the assumption that all of the outstanding warrants are exercised, all of the convertible preferred stock and all of the convertible subordinated debentures are converted and the related dividends payable and interest expense, net of related Federal income taxes, is eliminated. The assumed exercises and conversions were anti-dilutive for the three months ended March 31, 1992 and 1991. For the three months ended March 31, 1991, loss per share was computed after giving effect to a stock dividend of 3% of the aggregate outstanding common stock paid on June 10, 1991 to shareholders of record on May 20, 1991.

(3) Litigation

On July 25, 1988, a jury awarded the Company approximately $50,000,000 in take-or-pay damages in litigation involving a natural gas purchase contract with ONEOK, Inc. ("ONEOK"). This case was filed by the Company on May 30, 1984 in the District Court for Caddo County, State of Oklahoma. The judgment was for damages incurred through April 1988. The Company received additional post-judgment awards for interest, legal fees and costs incurred. ONEOK has appealed this award to the Supreme Court of Oklahoma and has posted a $63,512,000 cash deposit with the State of Oklahoma as an appeal bond. ONEOK must post an additional $1,251,000 each calendar quarter until the Supreme Court decision is rendered. The Company also filed an appeal in the Oklahoma Supreme Court requesting the appellate court to increase the Company's $50,000,000 judgment by $24,500,000, representing damages that were not awarded at trial and pre-judgment interest.

On February 27, 1989, the Company filed a second suit against ONEOK, involving the same contract, in the District Court for Caddo County, Oklahoma, seeking take-or-pay and other damages for breach of the contract for the period May 1988 through the date of trial. In recent rulings, the trial court granted Forest summary judgment as to liability and therefore the only jury issue at trial will be the jury's determination of the amount of damages. The trial court also ruled that damages may not include certain production in excess of the contract quantity as determined by allowables, and must give credit for volumes of gas represented in the damages awarded for take-or-pay deficiencies in the case on appeal to the Oklahoma Supreme Court. The trial court reserved the issue of pre-judgment interest until after trial. Accordingly, the Company intends to allege damages at the trial which are substantially reduced from its previous estimate of $19,774,000, which included pre-judgment interest. Forest will determine whether to appeal the trial court's rulings concerning damages after the trial of the case. The Company expects the case to be set for trial in 1992.

No prediction can be given as to when or how these matters will ultimately be concluded. No assurance can be made that the Company will ultimately receive any funds from this litigation despite the jury verdict currently on appeal to the Supreme Court. No amounts have been recorded on the Company's financial statements with respect to this litigation.

FOREST OIL CORPORATION
Notes to Condensed Consolidated Financial Statements
Three Months Ended March 31, 1992 and 1991

(3) Litigation, continued

In 1991, the Company reached a settlement with the Minerals Management Service (MMS) with respect to certain royalty claims, pursuant to which the Company paid $2,700,000 to the MMS on November 1, 1991. The Company believes that its share of the settlement is not significant. Reimbursement has been received from certain of the Company's co-owners for their share of the settlement, and reimbursement is being sought from the remaining co-owners for their share of the settlement.

(4) Harbert Energy Acquisition

On February 1, 1992, Forest I Development Company, a wholly-owned subsidiary of the Company, acquired substantially all of the assets of Harbert Energy Corporation and its associated entities for approximately $40,400,000, including the assumption of certain liabilities, in an acquisition accounted for as a purchase. The acquisition was financed in part by a dollar-denominated production payment.

Under the terms of the production payment, Forest I Development Company makes a monthly cash payment which is the greater of a scheduled amount or 85% of the net proceeds from the subject properties, as defined. The production payment of $37,550,000 was recorded as a liability of $28,800,000 after a discount to reflect a market rate of interest.

The producing properties acquired have estimated proved reserves of approximately 4.3 MBBLS of oil and 18.6 BCF of natural gas and are located principally offshore Louisiana and in Oklahoma and Texas. Properties to which approximately 95% of the reserves acquired are attributable, on an equivalent basis, are pledged under the production payment through July 1999.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the Company's Condensed Consolidated Financial Statements and Notes thereto.

Results of Operations

The net loss attributable to common stock for the first three months of 1992 was $4,513,000 or $.35 per share compared to a net loss of $24,422,000 or $2.07 per share for the first three months of 1991. The loss in 1992 decreased primarily because the 1991 period included a writedown of the carrying value of oil and gas reserves of $22,400,000 on an after-tax basis, or $1.81 per share.

Revenue

The Company's oil and gas sales decreased by 10% to $17,142,000 in the first quarter of 1992 from $19,091,000 in the first quarter of 1991. Production levels for the 1992 period increased over 1991 by 9% for natural gas and 67% for oil due to property acquisitions (primarily the acquisition of the Harbert Energy interests which was effective February 1, 1992), however, decreases of 27% in the weighted average price received for natural gas and 33% in the weighted average price received for oil combined to produce the lower revenue results.

The production volumes and weighted average sales prices during the periods were as follows:

	Three Months Ended	
	March 31, 1992	March 31, 1991
Natural Gas		
Production (MMCF)	6,815	6,228
Sales price received (per MCF)	$1.55	2.05(A)
Effects of energy swaps (per MCF)	.09	-
Average sales price (per MCF)	$1.64	2.05
Oil and Condensate		
Production (thousands of barrels)	328	196
Sales price received (per barrel)	$16.72	22.33
Effects of energy swaps (per barrel)	.40	3.02
Average sales price (per barrel)	$17.12	25.35

(A) The 1991 amounts exclude a price adjustment of $.19 per MCF attributable to a favorable ruling by a Texas court with respect to royalties on take-or-pay settlements. Including such adjustment the weighted average sales price for natural gas was $2.24 per MCF.

Miscellaneous net income decreased to $152,000 in the first quarter of 1992 from $2,056,000 in the comparable 1991 quarter. The 1991 period included $1,782,000 of revenue associated with a favorable ruling by a Texas court with respect to severance tax on take-or-pay settlements.

Expenses

Oil and gas production expense increased 38% to $3,500,000 in the first quarter of 1992 from $2,532,000 in the comparable period of 1991. The increase follows the increase in production levels of oil and natural gas, but is also attributable to workovers performed in 1992. On an MCFE basis, production expense increased 18% in the first quarter of 1992 to $.40 per MCFE from $.34 per MCFE in the first quarter of 1991.

General and administrative expense decreased 27% to $2,223,000 in the first three months of 1992 from $3,061,000 in the first three months of 1991, reflecting the continuing effects of the Company's reorganization and consolidation programs. Total overhead costs (capitalized and expensed general and administrative costs) decreased 39% to $4,337,000 in the first quarter of 1992 from $7,127,000 in the first quarter of 1991, reflecting reductions in workforce which occurred in April 1991 and the consolidation of the Company's operations and technical staff which commenced in December 1991. The Company's salaried workforce, which numbered 229 at January 1, 1991, was reduced to 162 at April 30, 1991 and totaled 130 at April 30, 1992.

Total overhead incurred for the respective periods, was as follows:

	Three Months Ended	
	March 31, 1992	March 31, 1991
	(In Thousands)	
Overhead costs capitalized	$2,114	4,066
General and administrative costs expensed	2,223	3,061
Total overhead costs	$4,337	7,127

Interest expense increased approximately 19% to $7,118,000 in the first quarter of 1992 from $6,001,000 in the corresponding period of 1991. The increase is attributable to the interest expense of the production payment entered into in connection with the acquisition of the Harbert Energy properties.

During the first quarter of 1992, the Company was not required to record a writedown of the carrying value of its oil and gas properties. During the first quarter of 1991, the Company recorded a writedown of its oil and gas properties of $34,000,000. The 1991 writedown was due to the poor results of the Company's 1990 exploration program and continued depressed natural gas prices. Subsequent to the end of the first quarter of 1992, the prices of oil and natural gas increased. Consequently, the Company utilized May 1992 prices in its ceiling test calculation, resulting in a ceiling limitation which exceeded the carrying value of the Company's oil and gas properties. A writedown of the Company's properties would have been required if prices in effect at the end of the quarter had been used in the ceiling test calculation.

Additional writedowns of the full cost pools may be required if prices decrease, estimated proved reserve volumes are revised downward or costs incurred in exploration, development, or acquisitions exceed the discounted future net cash flows from the additional reserves, if any.

Depreciation and depletion expense increased by approximately 6% to $10,833,000 in the first quarter of 1992 from $10,265,000 in the comparable period of 1991. Production increased significantly in the 1992 period as a result of the acquisition of properties. The increased expense relating to such increased production was offset by a decreased per-unit rate. The decreased rate was due to the writedown taken in the first quarter of 1991, and acquisitions after the first quarter of 1991 which were made at costs which were less than the Company's historical finding costs. These factors combined to reduce the depreciation and depletion rate to $1.23 per MCFE in the 1992 period compared to $1.39 per MCFE in the prior year period.

Capital Resources and Liquidity

Capital Expenditures

In April 1991, the Company began implementation of its capital investment strategy of acquisition of proved properties. The most significant acquisition under this strategy was the purchase of substantially all of the assets of Harbert Energy Corporation effective February 1, 1992 for approximately $40,400,000, including the assumption of certain liabilities. The Company's expenditures for property acquisition, exploration and development for the first quarter of 1992 and the first quarter of 1991, including overhead related to these activities which was capitalized, were as follows:

	First quarter 1992	First quarter 1991
Property acquisition costs:		
Proved properties	$41,410	$ -
Undeveloped properties	3,306	-
	44,716	-
Exploration costs:		
Direct costs	366	1,419
Overhead capitalized	198	2,610
	564	4,028
Development costs:		
Direct costs	(512)	3,819
Overhead capitalized	1,916	1,456
	1,404	5,275
	$46,684	$9,304

It is currently anticipated that the Company's expenditures for exploration in 1992 will be approximately $2,000,000 (comprised primarily of delay rentals and capitalized overhead) and the Company's expenditures for development will be approximately $21,000,000, including capitalized overhead of $6,000,000. Planned expenditures for development include an 11 well workover project at the Eugene Island 273-A Unit at an estimated cost of approximately $5,000,000, net to the Company's interest. These levels of capital expenditures may be restricted if the Company experiences lower than anticipated net cash provided by operations or is unable to obtain working capital from other sources. Additional acquisitions in 1992 will depend upon the availability of external sources of capital, such as production payments and other non-recourse financing. Availability of these sources of capital will depend upon a number of factors, some of which are beyond the control of the Company.

Cash Flow

Historically, one of the Company's primary sources of capital has been net cash provided by operating activities which has varied dramatically in recent years. The majority of the increases and decreases in net cash provided by operating activities is attributable to increases and decreases in oil and gas revenue. While expenses associated with operations have been relatively stable, revenue from operations has varied dramatically each year depending upon factors such as natural gas contract settlements and price fluctuations, which are difficult to predict.

Prices received for natural gas sold on the spot market are volatile due primarily to seasonality of demand and other factors beyond the Company's control. Domestic oil prices generally follow worldwide oil prices which are subject to price fluctuations resulting from changes in world supply and demand. The Gulf Coast spot price received by the Company for natural gas has decreased from $2.01 per MCF at December 31, 1991 to $1.39 and $1.62 per MCF at April 1, 1992 and May 1, 1992, respectively. The West Texas Intermediate price for crude oil has increased from $17.75 per barrel at December 31, 1991 to $18.50 and $19.50 per barrel at April 1, 1992 and May 1, 1992, respectively. While the price the Company receives for its oil and natural gas production has significant financial impact on the Company, no prediction can be made as to what price the Company will receive for its oil and natural gas production in the future.

In order to attempt to minimize the price volatility to which the Company is subject, the Company has, in the past, entered into energy swap agreements with third parties to hedge against the effect of fluctuations in future oil prices. In a typical swap agreement, the Company receives or pays the difference between a fixed price per unit of production and an agreed upon price based on a third party index. The Company estimates that approximately 31% of its oil production will not be subject to price fluctuations for the year 1992 as a result of energy swaps. In October, 1991 the Company entered into an energy swap agreement for 20,000 barrels per month of the Company's anticipated oil production for the period

January 1, 1992 to December 31, 1992. This agreement has a fixed price of $21.15 per barrel of oil. In March 1992, the Company entered into two additional agreements. Under a swap agreement, 20,000 barrels per month was hedged from April 1992 through December 1993 at $19.70 per barrel. Under a related agreement with the same party, an additional 20,000 barrels per month was committed to an arrangement where the Company is obligated to pay the excess, if any, of an agreed-upon index over $20.00 per barrel for the same period of time.

In March 1992, the Company entered into an energy swap agreement for approximately 20% of its anticipated natural gas production for the period May 1, 1992 to September 30, 1992. The agreement has an average fixed price of $1.31 per MMBTU and will utilize an index for offshore prices included in the Inside F.E.R.C. Gas Market Report. As a result of this energy swap, volumetric production payments and gas sold under other long-term contracts, the Company estimates that about 60% of its natural gas production will not be subject to price fluctuations from May 1992 through September 1992. Subsequent to October 1, 1992, the Company estimates that the percentage of its natural gas production which is subject to price fluctuations will increase significantly unless further hedging agreements are transacted.

Financing Activities

While the Company's 1991 Recapitalization was successful in reducing annual cash interest and dividend requirements, the Company still may not have adequate long-term liquidity to replace its depleting asset base of oil and gas reserves or to fund its obligations under existing debentures and notes. If the Company were to pursue a strategy limited to developing and producing only its existing proved reserves, it could continue to experience long-term liquidity problems. Therefore, the Company will continue to pursue its acquisition strategy in 1992 when cost-effective opportunities arise. The Company continues to study alternatives to reduce its long-term debt. Depending upon market conditions, the Company may pursue additional exchange offers or purchases of its subordinated debt with equity securities or cash. Such transactions may involve consent solicitations for relief from subordinated debt covenants.

A dollar-denominated production payment was sold in connection with the acquisition of the Harbert Energy properties. The amount of the production payment was $37,550,000, which was recorded as a liability of $28,800,000 after a discount to reflect a market rate of interest. Under the terms of this production payment, the Company must make a monthly cash payment which is the greater of a scheduled amount or 85% of the net proceeds from the subject properties, as defined.

The Company has traditionally used its oil and gas reserve base as security for bank financing. As an alternative to bank financing, the Company has entered into production payment transactions. The Company currently has no bank credit facility in place. In order to improve short-term liquidity, the Company has been pursuing several alternatives. The Company has had discussions with prospective lenders to use both its United States and Canadian properties as security for working capital borrowings. The terms of Company's 12 3/4% Senior Secured Notes permit the Company to secure up to $10,000,000 of working capital loans with the assets which secure the 12 3/4% Senior Secured Notes. In addition, the Company's Canadian oil and gas properties are not subject to the liens securing the 12 3/4% Senior Secured Notes and are available to be used as collateral for bank financing. The Company is reviewing other alternatives relating to its Canadian assets, including joint venture development or disposition of the assets. The Company presently intends to use the proceeds of any working capital borrowings or any sales of assets either to acquire proven oil and gas reserves or to repurchase subordinated debentures.

Other Matters

Gas Balancing

It is customary in the industry for various working interest partners to overproduce their share of natural gas from time to time. The Company had accumulated a net overproduced balance at December 31, 1991. In the first quarter of 1992, the Company reduced its net overproduced position by approximately 9% as a result of purchases of partners' interests in overproduced properties and an imbalance settlement. The Company is currently examining various alternatives with respect to its gas balancing position. Settlement of gas balancing accounts could result in cash payments, property exchanges or other forms of payment. The Company is unable to determine when its partners may

choose to make up their share of production. When the Company's partners do choose to make up their share of production, the Company's deliverable natural gas volumes could decrease, adversely affecting gas revenue.

Litigation

As discussed in Note 3 of Notes to Condensed Consolidated Financial Statements, the Company has obtained a judgment for approximately $50,000,000 in damages involving the breach of a gas purchase contract by ONEOK. The judgment has been appealed. In 1989 the Company filed a second suit against ONEOK, involving the same contract seeking take-or-pay and other damages for breach of the contract for the period May 1988 through the date of trial. The Company expects the case to be set for trial in 1992.

Net Operating Loss and Tax Credit Carryforwards

At December 31, 1991, the Company estimated that for United States federal income tax purposes, it had consolidated net operating loss carryforwards of $18,243,000 and investment tax credit carryforwards of approximately $4,355,000. The availability of these tax attributes to reduce current and future taxable income of the Company is subject to various limitations under the Internal Revenue Code. In particular, the Company's ability to utilize such tax attributes could be severely restricted due to the occurrence of an "ownership change" within the meaning of Section 382 of the Internal Revenue Code resulting from the Recapitalization. At December 31, 1991, the Company estimated that net operating loss and investment tax credit carryforwards would be limited to offset current taxable income to the extent described below.

Even though the Company is limited in its ability to use net operating loss carryovers under the general provisions of Section 382, it may be entitled to use its net operating loss carryovers to offset (a) gains recognized in the five years following the ownership change on the disposition of certain assets, to the extent that the value of the assets disposed of exceeds its tax basis on the date of the ownership change or (b) any item of income which is properly taken into account in the five years following the ownership change but which is attributable to periods before the ownership change ("built-in gain"). The ability of the Company to use net operating loss carryovers to offset built-in gain first requires that the Company have total built-in gains at the time of the ownership change which are greater than a threshold amount. In addition, the use of the net operating loss carryforwards to offset built -in gain cannot exceed the amount of the total built-in gain.

The Company believes that due to the amount of built-in gain as of the date of ownership change, and the anticipated timing of the recognition of such gain, that there will be no significant limitation on the Company's ability to use net operating loss carryforwards or investment tax credit carryforwards.

Accounting Policies

The Financial Accounting Standards Board has issued Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," (SFAS No. 109). This statement requires the Company to adopt the liability method of accounting for income taxes effective for fiscal years beginning after December 15, 1992. The Company does not know and cannot reasonably estimate the impact of SFAS No. 109 on its financial statements.

Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," (SFAS No. 106) has also been issued. This statement requires the Company to accrue expected costs of providing postretirement benefits to employees and the employees' beneficiaries and covered dependents and is effective for fiscal years beginning after December 15, 1992. The Company will adopt the provisions of SFAS No. 106 as required. The effect of adopting SFAS No. 106 has not yet been actuarially evaluated.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

At the Company's Annual Meeting held on May 13, 1992, shareholders of the Company (a) approved the Company's 1992 Stock Option Plan, and (b) approved an amendment to its Restated Certificate of Incorporation to delete the provisions relating to the Company's $15.75 Redeemable Preferred Stock and $2.125 Convertible Preferred Stock, shares of which were no longer outstanding. In addition, the Company's shareholders elected three Class II Directors and ratified the appointment of KPMG Peat Marwick as independent auditors for the Company for 1992.

A total of 34,688,204 Common and Class B votes was cast in favor of approving the 1992 Stock Option Plan. A total of 5,345,290 Common and Class B votes was cast against such approval.

A total of 39,274,877 Common and Class B votes was cast in favor of the amendment to the Restated Certificate of Incorporation. A total of 167,645 Common and Class B votes was cast against the amendment.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit 4.1 Restated Certificate of Incorporation of Forest Oil Corporation dated May 3, 1978 and Amendment thereto dated May 2, 1979, incorporated herein by reference to Exhibit 3.1 to Registration Statement 2-69044.

Exhibit 4.2 Certificate of Amendment of Certificate of Incorporation of Forest Oil Corporation dated May 6, 1981, incorporated herein by reference to Exhibit 3.2 to Registration Statement 2-71024.

Exhibit 4.3 Certificate of Amendment of the Restated Certificate of Incorporation of Forest Oil Corporation dated as of April 18, 1985, incorporated herein by reference to Exhibit 4.4 to Registration Statement 2-96649.

Exhibit 4.4 Certificate of Amendment of the Restated Certificate of Incorporation of Forest Oil Corporation dated as of December 23, 1985, incorporated herein by reference to Exhibit 4.4 to Registration Statement 33-2748.

Exhibit 4.5 Certificate of Amendment of the Restated Certificate of Incorporation of Forest Oil Corporation dated as of May 14, 1986, incorporated herein by reference to Exhibit 4.5 to Post-Effective Amendment No. 1 to Registration Statement 33-2748.

Exhibit 4.6 Certificate of Amendment of the Restated Certificate of Incorporation of Forest Oil Corporation dated as of May 18, 1988, incorporated herein by reference to Exhibit 4.6 to Form 10-Q for Forest Oil Corporation for the quarter ended June 30, 1988.

Exhibit 4.7 Certificate of Amendment of the Restated Certificate of Incorporation of Forest Oil Corporation dated as of February 9, 1990, incorporated herein by reference to Exhibit 4.9 to Registration Statement 33-32589.

Exhibit 4.8 Certificate of Amendment of the Restated Certificate of Incorporation of Forest Oil Corporation dated as of September 9, 1991, incorporated herein by reference to Exhibit 3.10 to Registration Statement No. 33-43292.

Exhibit 4.9 Certificate of Amendment of the Restated Certificate of Incorporation of Forest Oil Corporation dated as of December 4, 1991, incorporated herein by reference to Exhibit 3.9 to Form 10-K for Forest Oil Corporation for the year ended December 31, 1991.

Exhibit 4.10 Restated By-Laws of Forest Oil Corporation as of May 9, 1990, Amendment No. 1 to By-Laws dated as of April 2, 1991, Amendment No. 2 to By-Laws dated as of May 8, 1991 and Amendment No. 3 to By-Laws dated July 30, 1991, incorporated herein by reference to Exhibit 3.8 to Registration Statement 33-40376.

Exhibit 4.11 Indenture dated as of May 1, 1979 between Forest Oil Corporation and The Chase Manhattan Bank (National Association), incorporated herein by reference to Exhibit 2.1 to Registration Statement 2-64265.

Exhibit 4.12 Indenture dated as of June 1, 1980 between Forest Oil Corporation and The Chase Manhattan Bank (National Association), incorporated herein by reference to Exhibit 2.1 to Registration Statement 2-67851.

Exhibit 4.13 Indenture dated as of September 27, 1988 between Forest Oil Corporation and First Interstate Bank of Denver, N.A., incorporated herein by reference to Exhibit 4.1 to Registration Statement 33-24226.

Exhibit 4.14 Indenture dated as of December 3, 1991 between Forest Oil Corporation and The Connecticut National Bank, as Trustee, incorporated herein by reference to Exhibit 4.4 to Form 10-K for Forest Oil Corporation for the year ended December 31, 1991.

Exhibit 4.15 Pledged Assets Agency Agreement dated as of December 3, 1991 between The Connecticut National Bank, as Pledged Assets Agent and Forest Oil Corporation, incorporated herein by reference to Exhibit 4.5 to Form 10-K for Forest Oil Corporation for the year ended December 31, 1991.

Exhibit 4.16 Mortgage, Deed of Trust, Assignment of Production, Security Agreement and Financing Statement dated as of December 3, 1991 from Forest Oil Corporation to The Connecticut National Bank, as Pledged Assets Agent, on behalf of The Connecticut National Bank, as Trustee for the 12-3/4% Senior Secured Notes due 1998 and as mortgagee under the mortgage, trustee under the deed of trust, assignee under the assignment of production and secured party under the security agreement, incorporated herein by reference to Exhibit 4.6 to Form 10-K for Forest Oil Corporation for the year ended December 31, 1991.

Exhibit 4.17 Warrant Agreement dated as of December 3, 1991 between Forest Oil Corporation and The Chase Manhattan Bank (National Association), as Warrant Agent (including Form of Warrant), incorporated herein by reference to Form 10-K for Forest Oil Corporation for the year ended December 31, 1991.

No other instruments regarding long-term debt are filed because the amount of the securities authorized thereunder do not, in any case, exceed 10% of the total assets of Forest Oil Corporation on a consolidated basis, but a copy of such instruments will be furnished to the Commission upon request.

*Exhibit 11 Forest Oil Corporation and Consolidated Subsidiaries - Calculation of Earnings (Loss) per Share of Common Stock.

*Filed with this report.

(b) Reports on Form 8-K

The following report on Form 8-K was filed by Forest during the first quarter of 1992:

Date of Report	Item Reported	Financial Statements Filed
February 1, 1992	Item 2	(a) Consolidated Financial Statements of Harbert Energy Corporation for the eleven month period ended December 31, 1990 and for the fiscal year ended January 31, 1990. Condensed Consolidated Financial Statements of Harbert Energy Corporation at September 30, 1991 and for the nine month periods ended September 30, 1991 and October 31, 1990. (b) Condensed Pro Forma Combined Financial Statements of Forest Oil Corporation at September 30, 1991 and for the nine months then ended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FOREST OIL CORPORATION
(Registrant)

Date: May 13, 1992

Robert S. Boswell
Vice President and Chief
Financial Officer
(Signed on behalf of the registrant)

Robert S. Boswell
Vice President and Chief
Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX

Page No.

Exhibit 4.1 Restated Certificate of Incorporation of Forest Oil Corporation dated May 3, 1978 and Amendment thereto dated May 2, 1979, incorporated herein by reference to Exhibit 3.1 to Registration Statement 2-69044.

Exhibit 4.2 Certificate of Amendment of Certificate of Incorporation of Forest Oil Corporation dated May 6, 1981, incorporated herein by reference to Exhibit 3.2 to Registration Statement 2-71024.

Exhibit 4.3 Certificate of Amendment of the Restated Certificate of Incorporation of Forest Oil Corporation dated as of April 16, 1985, incorporated herein by reference to Exhibit 4.4 to Registration Statement 2-96649.

Exhibit 4.4 Certificate of Amendment of the Restated Certificate of Incorporation of Forest Oil Corporation dated as of December 23, 1985, incorporated herein by reference to Exhibit 4.4 to Registration Statement 33-2748.

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*Exhibit 11 Forest Oil Corporation and Consolidated Subsidiaries - Calculation of Earnings (Loss) per Share of Common Stock. 19

*Filed with this report.

FOREST OIL CORPORATION
Calculation of Loss Per Share of Common Stock
(Unaudited)

	Three Months Ended	
	March 31, 1992	March 31, 1991
	(In Thousands Except Per Share Amounts)	
Primary loss per share:		
Net loss attributable to common stock	$ (4,513)	(24,422)
Less dividends payable on Convertible Preferred Stock	-	1,222
Net loss attributable to common stock for primary loss per share calculation	$ (4,513)	(25,644)
Weighted average number of common shares outstanding	12,889	12,390
Primary loss per share	$ (0.35)	(2.07)
Fully diluted loss per share:		
Net loss attributable to common stock, as above	$ (4,513)	(24,422)
Add:		
Interest expensed on 5-1/2% Convertible Subordinated Debentures	119	128
Expenses related to the 5-1/2% Convertible Subordinated Debentures	8	5
Less:		
Additional Federal income taxes	43	45
Loss applicable to fully diluted calculation	$ (4,429)	(24,334)
Common shares applicable to fully diluted calculation:		
Weighted average number of common shares outstanding, as above	12,889	12,390
Add:		
Weighted average number of shares issuable upon assumed conversion of 5-1/2% Convertible Subordinated Debentures	526	526
Weighted average number of shares issuable upon assumed conversion of Convertible Preferred Stock	15,341	4,338
Common shares applicable to fully diluted calculation	28,756	17,254
Fully diluted loss per share	$ (0.15)	(1.41)

*The fully diluted loss per share calculation is antidilutive.